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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 5518-- AN ACT IMPOSING A SURCHARGE ON CERTAIN PERSONAL RISK INSURANCE POLICIES TO FUND REGIONAL FIRE SCHOOLS' OPERATING BUDGETS AND CERTAIN FIREFIGHTER TRAINING COSTS AND PURCHASES OF FIRE EQUIPMENT

COMMITTEE ON INSURANCE AND REAL ESTATE

March 10, 2016

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on House Bill No. 5518. PCI is a national property casualty trade association comprised of over 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI member companies write 36% of all property casualty insurance sold in Connecticut.

While PCI supports firefighter training programs, PCI opposes this legislation because it would amount to an additional tax which must be paid by homeowners and renters insurance policyholders. Connecticut policyholders are currently paying the ninth highest average homeowners insurance premiums in the nation and adding an additional one percent tax to this cost may be the last straw that makes insurance unaffordable for some homeowners and renters. Using insurance premiums as a vehicle to collect funds for unrelated programs sends the wrong message to insurance companies and their policyholders. While including a tax increase in an insurance premium billing may seem like an attractive alternative to raise revenue, to the policyholder, a tax is a tax regardless of how it is collected and PCI opposes measures that make insurance companies tax collectors.

Accordingly, for the foregoing reasons, PCI urges your Committee NOT to advance this bill.